Trustee

States Corporation Earns \$1,683,962,552 in 1917. Says Annual Report.

WAR AIDS THE BUSINESS

hyidends on Common Stock Equal to \$39.15 a Share, Less Than in 1916.

oration, according to the aneasting to \$1.683,962.552, compared ch \$1,231,473,779 in 1916. Earnings glable for dividends on the common relable for dividends on the common M'ADOO ASKS AID epared with \$48.45 a share the preus year. The smaller amount earned common stock was due to an esed allowance of \$233,465,435 for medic, war income and excess axes which the corporation will pay out of last year's carnings. Newsthstanding the huge amount of may to be paid the United States Gov-ment in the form of taxes, net earn-

of the corporation after allowing interest charges and Federal taxes abnormal expansion in business mereasing 46 per cent, and exports This increase in business

51.437, a decrease of \$149,339,147. The

### Large Profits Taken.

e unusually large profits were taken stage of to make greater allow-for extraordinary replacements, ropriations for expenditures made to be made on authorized appropria-s for additional property, new plants ere \$55,000,000, compared with nothing

olidated balance sheet because of osity being manifested by a to how the corporation b vast sums of money which it has Current assets of the compan at \$799,997,397, against cur corporation's assets it has

Wall Street has been particularly increased in learning just how much the importation has invested and how. Experimental particularly interested in learning just how much the importation has invested and how. Experimental particularly interested in learning just how much the importation has invested and how. Experimental particularly interested in learning just how much the importation has invested and how. Experimental particularly interested in learning just how much the importation has invested and how. Experimental particularly interested in learning just how much the importation has invested and how. Experimental than \$233,047,222 in particularly interested to be considerably higher in view of the fact that its properties have been purch good condition, its copper entitle in good condition, its copper entitle interested and the contract price for sales of sulphuric advanced. Under the original contract Tennessee received \$4.81 a ton for sulphuric. Therefore, the importance of this company and the International Agricultural Corporation, which takes all its output, increased the price on \$1.256.85 in the previous year. The average was received by those employees the properties have been purched to around \$3.25.000 tone and the contract price for sales of sulphuric advanced. Under the original contract price for the second purchased the price of this company and the International Agricultural Corporation, which takes all its output, increased the price on \$1.256.85 in the previous year. The average was referred to be considerably higher in view of the fact that its properties have been purched to around \$3.25.25 as a share. But according to unofficial extinates amounted to around \$3.25.25 as a share. But according to unofficial extinates and the contract price for sales of sulphuric advanced. Under the original contract price for sales of sulphuric advanced. Under the original contract price for the fact that its properties have been purched to according to unofficial extinates and the contract price of the f

The total of marketable securities held the corporation shows an increase 1195.702.819, but this expansion is Governing Committee Adopts bits city to the fact that the comas been purchasing large amounts tel States certificates of indebt-Intel States certificates of indebtiness in anticipation of the payment
in Nederal taxes, as requested by
serctary of the Treasury McAdoo.

To provide facilities for the increase
i besiness received and expected to be
tested from the United States Governtest the corporation's expenditures last
for the acquisition of additional
imperity for additions and betterments
imministed to \$121,522,862, of which \$29,15,850 was charged to income. Capital
ittenditures by the corporation since
granisation in April, 1901, total \$671.

The governing committee of the New
York Stock Exchange yesterday adopted
an amendment to rule 8 of the constitution which authorizes 8, edial clearances
in bonds.

Owing to the huge volume of Liberty
bonds now changing hands the committee considered it was too dangerous to
make the many deliveries necessary
when the bonds are not cleared.

The governors also appointed John G.
Bates of Taylor, Bates & Co. as a mem-

in reviewing the year's busi-

and output in 1917, compared The statement also is of interwith necessary raw materials

### lear's Expenditures. ditures during the year for ex-

ad construction covered a very ce of improvements. Much of present time to increase the and facilities of the plants and araist in meeting the urgent steel and other products for

number of subscribers, and 41.5 per cent. in the number of shares subscribed over the previous year. The conditions attached to the ofter and subscription. aside from the feature of price, were generally similar to those under which stock has been heretofore offered to employees. The usual distribution of spe-cial compensation to employees on the basis of the plan adopted in 1903 was Directors of Delaware and

STOCK EXCHANGE TO CLOSE. Financiera Will Observe Good

Friday as Hollday. New York Stock Exchange governor yesterday voted to close that institution morrow in observation of Good Fri-

was considerable difference of opinion as to whether the vote would be to close. Those in favor of keeping the exchange open contended that a market for securities should be available owing to the important events now going on in Europe. Those in favor of closing declared that owing to the suffering due to the war there was more reason for observing the holiday this year than in

## FOR BOND ISSUE

Appears Before Conferees in Behalf of \$4,000,000,000 Appropriation.

Washington, March 27 .- Appearing to-day before Senate and House conferees considering the Administration bill to establish a war finance corpora tion, Secretary McAdoo urged that the corporation be given power to issue \$1.000,000,000 in bonds, as provided in the Senate bill, instead of only half that sum, proposed in the House measure.
Provision in both Senate and House
bills for a voluntary system of licensing sareholders during the year as part of her share in the prosperity enjoyed by her corporation. On December 31, sif. the company had a total surplus (1431,680,803.

was told that both bodies of Congress having rejected the original compulsory plan the conferees were powerless to consider any change.

The Secretary emphasized the need for more capital than \$2,000,000,000, given under the House bill. In this connection the much discussed \$43,000,000 New Hoves Pallered refuging of rest month. Haven Railroad refunding of next mont was mentioned, and Mr. McAdoo was quoted as stating other railroads as well as many important public utilities are in construction. Appropriations for urgent need of financial assistance from the Government.

No agreement on the disputed quescrept, new plants and construction tions was reached to-day by the conferece, but hope was expressed for an agreement to-morrow.

## TO DECLARE A DIVIDEND.

Tennessee Copper and Cher Company Meeting To-day.

Wall Street heard yesterday that di rectors of the Tennessee Copper the corporation's assets it has \$4.610 in cash on deposit with sankers and trust companies. There is also time bank deposits sourced demand loans of \$48.527. The story is that the rate of payment will be small and that no decision has been reached as to whether compared with \$40.869,704 a year

Total deliveries of sulphuric to the elling force, was \$4.10 a day, compared the \$1.25 in 1915. Including the general international Agricultural Corporation according to official estimates, will reach 500,000 tons this year. On the contract takes femnesses will receive \$4.81 a ton \$2.00 tons year.

## CLEARANCES IN BONDS.

Amendment to Rule Eight.

To facilitate dealings in Liberty bonds

The governors also appointed John G. Bates of Taylor, Bates & Co. as a member of the lar value of the common and great stocks outstanding.

We expenditures are planned for current year. Our of a total of signous which has been appropriate year. Our of a total of signous which has been appropriate year of the library committee, a new position states that \$110,000,000 will \$500,000,000 INCOME TAXES.

Gary, chairman of the cor. Estimated Amount to Be Received

by Collector Edwards.

At the offices of Collector of Internal Revenue William II. Edwards yesterday it was estimated that by midnight of the case of the central internal processed after the entrance of the states into the European war tenally for certain lines of products hard for the war programme. These rands largely exceeded the producing party of the manufacturers and bear of the largely increased costs of the same material and supplies, the set for steel products advanced marking. The output of the properties and its of the subsidiary commandes in 1d dispet quite reach the record face and output in 1917, compared the capacity. The decrease in profiles and output in 1917, compared the same of the subsidiary remained in the capacity. The decrease in profiles and output in 1917, compared the same of the processes of the statement was issued yesterday by the Collector on the excess profits tax as applied to partnerships and individuals engaged in financial business. The statement also is of interest to banks and securities corporations. by Collector Edwards.

New York Customs Receipts.

Receipts for duties at the Custom House yesterday were \$466,566.19, of which \$167,239.81 was for merchandise withdrawn from bonded warehouses and \$299,326.38 for recent importations.

## FINANCIAL NOTES.

At the annual meeting of the Eik Horn Coal Corporation, S. D. Camden was chosen vice-president in place of the three former vice-presidents, whose offices were discontinued. for steel and other products for billion and naval requirements of the States and the large Governments of the States and the large Governments of January, 1918, there was offered to January, 1918, there was offered to January, 1918, there was offered to the fact that the beard is waiting for a particle of the States Steel of the United States Steel of the United States Steel of the Friends of the subscibing for the price of \$92 per share. Subscibins were received from 42.25% toyees for an aggregate of \$1,517 to. There subscriptions representate of 10.7 per cent, in remaining the price of 10.7 per cent, in remaining the subscriptions representate of 10.7 per cent, in remaining the subscriptions representate of 10.7 per cent, in remaining the subscriptions representate of 10.7 per cent, in remaining the subscriptions representate of 10.7 per cent, in remaining the subscriptions representation to succeed John W. Frentiss, resigned. Henry A. Howarth has been elected a director of the Bond and Moringage Guarantee Cempany.

The governing committee of the Steek Steek Components of the Steek Steek Componen

## **DELAY DIVIDENDS**

Hudson and Wabash Take Similar Step.

Vice-President Williams Says Action Will Be Taken at May Meeting.

to the slow progress in negotiating contracts with the Government covering rail operation and compensation were made yesterday when directors of the Delaware and Hulson Company voted by the process of the plant of the process of the plant of the process of the plant of the process of the payment for the second quarter patriotic holding will be summarily dealt in the March delivery of corn had been that remains to be declared. At the time the board issued the following statement; The practice of the Delaware and Hulson Company for recent years has differed from that of other payment for the second quarter patriotic holding will be summarily dealt with through the process of Government with the maximum limit statement; The practice of the Delaware and Hulson Company voted by the process of Government with the maximum limit statement; The practice of the Delaware and Hulson Company for recent years has differed from that of other payment for the second quarter patriotic holding will be summarily dealt in the March delivery of corn had been with through the process of Government with the maximum limit statement; The practice of the Delaware and Hulson Company for recent years has differed from that of other payment for the second quarter that remains to be declared. At the with through the process of Government with the maximum limit allowed, \$1.28 a bushel.

Signs of big sales to export interests have been influenced of late to keep their payment for the second quarter that remains to be declared. At the with through the process of Government with the maximum limit allowed, \$1.28 a bushel.

Signs of big sales to export interests have been influenced of late to keep their payment for the second quarter that remains to be declared. At the with through the process of Government with the maximum limit allowed. to take no action on the 214 per cent. Wabash Railway voted to take no ac- during December. tion on the dividend on the preferred stock A. Directors of the latter company announced that dividend action present in Washington, said that the dividend on Delaware and Hudson would be declared at the May meeting. record April 10. The Delaware and Hudson dividend is payable regularly June 20 stock of record May 28. The heart meetings of Delaware and Hudson directors are scheduled for April 24 and May 29. Recently the Colorado and Southern Railway, although its preferred dividends had been earned eight times or more, deferred action on the preferred dividends and announced that such action had been taken between the Government and the rail-heaven the Government and the rail-heaven. St. Paul directors have repeat.

The Wabash, it is understood, is one included that the president Wilson and leaders in the Food Administration have indicated that President Wilson and leaders in the Food Administration have cash requirements which will determent altered their stand on the question of granting higher wheat prices this comming cash requirements during the ensuing year. Under these conditions it is plain, without an including any future action, that it would be wise not to commit the company irrevocably to large cash disbursements to be made so far in the future, but rather to follow the general practice of making dividend declarations quarterly.

The Wabash, it is understood, is one irectors are scheduled for April 24 and May 29. Recently the Colorado and Southern Railway, although its preferred dividends had been earned eight times or more, deferred action on the preferred stock dividends and announced that such action had been taken sending the execution of the contract between the Government and the railboad. St. Paul directors have repeatroad. St. Paul directors have repeatedly deferred action on preferred and common stock dividends and at their neeting to-day are expected to continue

han the 7 per cent requirements. Had Splendid Year.

Delaware and Hudson, however, acproved vesterday by the directors, and which will be published next month, had which will be published next month, had one of the best years in its history in only one of 17, and earned its yearly dividend of pening dividend of per cent, with a balance in excess of time to effect per cent, on the outstanding \$42.500.

Dated March 1, 1918

Debt

Bonbright & Company

of in earnings from rail operation. In addition the Government guarantee, when the contract is signed between Director-General McAdoo and the road's officials, will provide annual earnings in excess of 11 per cent. compared with the annual dividend payment of 3 per Agents Instructed to Ascer-

After the meeting yesterday Vice-President Williams said: "The non-action on the dividends should not be construed in any sense of the word as a DUE IN APRIL AND JUNE

Seference of dividends. The dividend of 21 per cent. declared last December was paid one week ago, or March 20, to stock of record February 26. There is a strong probability that farmers in the Southwest, West and no uncertainty about the company's divimeeting. I thought that the official statement issued last December clearly

illustrated the dividend status." It will be recalled that in December dends of 214 per cent., each payable in Two important additions to the list the ensuing year and declared only the of delayed dividend declarations owing payment for the first quarter of 1918. quarterly dividend, and directors of the dividend for the ensuing calendar year

Declare Dividends. "For ten years the board of managers dend action was taken. The accumulative surplus of the present time as well as the earnings of the calendar year 1917, now available for dividends, would The Wabash preferred A dividend is fully warrant the declaration of a 9 per payable regularly April 30 to stock of cent dividend payable in the same manner during 1818.

The Delaware and cent dividend payable in the same manner during 1818.

he deferrence. In this case nothing had been earned on the common stock and earnings on the preferred were less and all of its surplus earnings were reinvested in the property and charged to
operating expenses. This, of course,
caused net operating income to make an
unfavorable showing and this net operating income is to be the basis of the
Government's rental. The Wahash is
only one of several roads that are postonly one of several roads that are postone of the basis of the
only one of several roads that are postone of the basis of the
only one of several roads that are postone of the basis of the
one of the basis of the basis of the
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one of the basis of the basis of the
one of the basis of the basis of the basis of the basis of the
one of the basis of the basis of the basis of the
one of the basis of the basis of the pening dividend action hoping in a short time to effect a definite contract with the

\$8,000,000

Winchester Repeating Arms Company

One-Year 7% Gold Notes

The following information is summarized from a letter signed by J. E. Otterson, Esq., First Vice-President and General Manager of the Company:

Business The Winchester Repeating Arms Company has been carrying on a

contract requirements.

count of over \$14,000,000.

successful business in arms and ammunition for over fifty years. In addition to the Company's regular commercial business, it now holds United States Government contracts to the value of over \$50,000,-

000, largely on a cost and percentage basis. All these contracts are

proceeding satisfactorily and most of the deliveries are ahead of

A detailed audit of the Company's books and a review of the Company's inventory have been made by Messrs. Arthur Young & Co.

Based upon this audit the Company will show as against this issue

of \$8,000,000 Notes ouick assets of \$12,600,000 plus a plant ac-

The Company had outstanding \$16,000,000 Notes maturing

March 1, 1918, half of which have been paid off in cash and the

balance from the proceeds of the present issue. Except for a bank

loan of \$321,000 made in connection with the purchase of Liberty

Loan Bords, the Company will have no indebtedness but the \$8,000,000 of Notes.

\$1,400,000 was charged to depreciation. The interest charges on

Earnings The Company earned last year \$2.814,258, of which amount

the new note issue will be \$560,000 per annum.

Price 991/2 and interest, to yield over 71/2%

Kidder, Peabody & Co.

As this entire issue of Notes has been sold, this

advertisement appears as a matter of record only

# TAKE OVER GRAIN

tain Reasons for Withholding of Wheat.

dend. It will be declared at the May their wheat this season, will be confronted with the alternative of having it requisitioned. Word has gone forth that various State administrators of the Food the company abandoned its ten year Administration have been instructed to custom of declaring four quarterly divi- ascertain the reasons for withholding ascertain the reasons for withholding wheat on farms. Effort will be made to discriminate, but flagrant cases of un-

railway corporations in that it has been wheat from the market because of the customery to take final action upon the agitation in the Senate for a price of \$2.50 a bushel for this grain. While this agitation had to do with the coming fluenced by the strength of hogs and crop it naturally affects the wheat still grain. Buying, however, was only of a scattered character. unmarketed. In the meantime the big milis have been handicapped in a serious would be taken by the executive com-mittee on April 3. W. H. Williams, dend of 3 per cent, payable during the vice-president of the Delaware and Hudson Company, who attended the be made out of surplus accumulative meeting in place of Leonor F. Loree, at prior to the meeting at which the dividissatisfaction expressed at the various local points on account of limited offerconsumption, which would hardly be so pronounced were the wheat movement

> The latest Washington advices have The Wabash, it is understood, is one of the companies for which a vigorous effort will be made to obtain from the Government a substantial readjustment of the proposed three year compensation basis. During the greater part of the three years ended June 30, 1917, the company was in the hands of receivers and all of its surplus earnings were required to the arguments of higher cost of the meantime must be an important off-three to the arguments of higher cost of the meantime must be an important off-three to the arguments of higher cost of the old crop with the printiple of the cases of holding back of wheat of the old crop with the partity of \$2.20 at central terminal points being paid. It is also emphasized that the pre-war price for the average of the cases of holding back of wheat of the old crop with the partity of \$2.20 at central terminal points being paid. It is also emphasized that the pre-war price for the average of the cases of holding back of wheat of the old crop with the partity of \$2.20 at central terminal points being paid. It is also emphasized that the pre-war price for the average of the cases of holding the price partity of \$2.20 at central terminal points being paid. It is also emphasized that the pre-war price for the average of the price partity of \$2.20 at central terminal points being paid. It is also emphasized that the pre-war price for the average of the price partity of \$2.20 at central terminal points being paid. It is also emphasized that the pre-war price for the average of the price partity of \$2.20 at central terminal points being paid. It is also emphasized that the pre-war price for the average of the price partity of \$2.20 at central terminal points being paid.

The following tabulation shows wheat

Due March 1, 1919

CHICAGO, March 27 .- Hopeful aspects

CHICAGO, March 27.—Hopeful aspects of the war developments did a good deal to bring about higher prices to-day in grain. Corn closed firm, \$4.00 \( \frac{1}{2} \) net higher, with May \$1.25\( \frac{1}{2} \) \$0 \( \frac{1}{2} \) \$\] Oats advanced \$\frac{3}{2} \) \$\( \frac{1}{2} \) In provisions the finish varied from 5 decline to an equal gain. Advices from the armies in France continued to dominate the corn pit, and gave prices an unward slant from the gave prices an upward slant from the outset. In addition the bull side of the market was favored by knowledge that suspension of the grain priority rule on the railroads would tend to curtail the movement of the corn crop. Announce-ment of proposed summary action by the Food Administration in regard to seiz-ure of hoarded wheat seemed likewise to be construed as adverse.

It is generally recognized that farmers have been influenced of late to keep their wheat from the market because of the agitation in the Senate for a price of making rapid progress failed to act as

Provisions averaged a little higher, in-

OATS Market firm and higher, closing tith net gains of % 8 %; Local rash narket firm, natural, \$1.07 pt.10 %; hippel white, \$1.08 pt.10, all elevator. RYE-Market dull and prices entirely continui, owing to an absence of offerings. BARLEY Steady, feeding, \$1.85\text{g}\text{1.79}; calling, \$2.82\text{g}\text{1.79}; c. f. New York.

March.... May LARD-26.30 26.32 26.30 26.30 26.50 26.53 26.50 26.30 49 m 49 m 48.50 48.50 INTURIOR RECEIPTS. SEABOARD CLEARANCES. 17.000

Minnespolis Grain Market. 1', w 92' c. Flour unchanged. Bran.

Executor

Chartered 1822

The Farmers' Loan and Trust Company Nos. 16, 18, 20 & 22 William Street

> Branch Office, 475 Fifth Avenue At Forty-first Street New York

London

Foreign Exchange

Administrator

Guardian

Paris

SHORT TERM NOTES. PUBLIC UTILITY QUOTATIONS. AmThreadCo.
Balt & OhioR R.
Balt & OhioR R.
RetalchioR R.
RetalchioR Steel
Rklyn RT Co.
Can Pacific Ry.
Central Arg Rys.
ChiBur & QRR.
ChiB Wind R R.
Cobao Am Sugar.

Exports From New York.

Corn. 209,124 bu.; rye, 42,810 bu.; barley, 45,037 bu.; flour, 11,946 bbls.; Minneapolis, March 27.—Corn No. 3 bacon, \$14,500 lbs.; catmeal, 1,068 plgs.; cllow, \$1,75@1.83 Oats, No. 3 white, lard, 110,000 lbs.; butter, 472,350 lbs.; thus 27 cc. Flour unchanged. Bran. lubricating oil, 215,500 gais, wheese,

## UNITED DRUG COMPANY

BOSTON, MASSACHUSETTS

## ANNUAL REPORT FOR YEAR ENDING DECEMBER 31, 1917

To the Stockholders of United Drug Company. It is with much gratification that I present to you becewith of all companies. the statement of the business of your consolidated company for SURPLUS, as you will observe is now \$2,724 133.60, or almost the year ending December 31, 1917, because it represents the ful-fillment of the promises made for the year, and thore. Expecta, paying all dividends on first and second preferred stocks and the tions to reap a substantial benefit in 1917 of the consolidation common stock of United Drug Company, as well as all dividendof the United Drug Company and Riker & Hegeman Co, were on preferred stock of subsidiary companies outstanding. The thought by some of our stockholders to be too optimistic to be. United Drug Company owns every share of common stock of all realized in so short a time. The progress made in co-ordinating subsidiary companies. This surplus is equal to \$13.58 per share the two companies in the first eleven months (1919) was surprising, but as the docks were cleared and the organization perfected, by the amount of Excess Profits Tax to be paid, which we estimate the increased business and increased profits for the year 1917 at \$150,000.

My promises to you were based on absolute belief in the stability of the co-operative principles of your company—confirmed considers it prudent to conserve easil resources for the present.

Your Company was never in a stronger condition than it. and the will of the organization to succeed in our splendid com- day. It is younger now than it was ten years ago, for the reason, mercial undertaking

I shall not attempt to recite all that has been done during limited opportunities for development that he before it. this annual period, nor to burden you with the complex difficulties attending the business in the war-year just passed. The results affect the business -that is entirely too problematical; but I assure

36", over 1916 (the first 11 months of the consolidation . This increased Net Profit, which seems out of proportion to

an increased business with relatively less expense effective organization once set up, is the business that yields the profit, because operating expenses should not, and do not, under

good management, keep pace. Just a word about Gross Profit. Two years ago we were able to show better than 36% Gross Profit. The cost of materials then began to increase so rapidly that in the year 1916 our Gross Profit.

There was no new capital brought into the parent company Rubber Co.-which was acquired in June, 1917 by the issue of

\$750,000 of its preferred stock. The issue was oversubscribed Deduct:

Depreciation of Mac Turning to the consolidated balance sheet

CASH on hand, \$1,037,571.80, is approximately \$300,000 less than it was a year ago, which represents temporary fluctuations in bank balances. We maintain from \$1,000,000 to \$1,500,000 in cash, which is normal. ACCOUNTS AND NOTES RECEIVABLE are likewise

normal. This indicates the healthy financial condition of the 8 000 Rexall Drug Stores throughout the United States and Canada, man Stocks including Sub-dirry Combined by and control the sale of United Drug Company's products which buy and control the sale of United Drug Company's products in their respective communities.

during the year, which is being accommodated in part by an increase in the floating indebtedness of \$300,000. Besides providing for \$7,000,000 of additional business it is necessary to carry larger stocks at increased prices now, because of the difficulty in securing many classes of merchandise and also because of the uncertainty of transportation. Our retail Stores alone have nearly \$500,000 worth of merchandise paid for that is still in the hand of the railroads-a condition that did not exist six months ago.

The Property Accounts, consisting of REAL ESTATE AND BUILDINGS

BUILDINGS AND IMPROVEMENTS TO LEASE-

MACHINERY, FURNITURE AND FIXTURES nereased during the year \$1,211,427.20. This represents the real estate, plant and equipment of the Seamless Eubber Co., above referred to; additional machinery in our manufacturing plants, and the store fixtures, &c., of our new Retail Stores. At the beginning of the year we were operating 143 Liggett's Riker-Hegeman Drug Stores. During the year we opened to new ones tegeman Drug Stores. During the year we opened 16 new ones are almost one a week; closed 14 old ones, and now own 175 such Second Preferred Stork stores, which did a business of over \$22,000,000 last year. ADVANCES AND SUSPENSE ACCOUNTS are substantially

increased since last year, mainly because of new leases, Ac. on stores unexpired insurance, taxes, &c., of all companies constitute this

I year at our normal rate of depreciation, which of course was charged off to expense. This reserve now amounts to 42% of the equipment

on common stock, which is now M. but your Executive Committee

Your Company was never in a stronger condition than it is to that it is better equipped and better organized to improve the m

I shall not attempt to discles conditions in 1918 that migh are more interesting and they speak for themselves in the language you that we are organized for peace and we are organized for war. and we rely on men and not on conditions. Is nowing our business There are, however, certain indicative facts to which I invite as well as we do, and having carried it through business and was your attention. The combined Sales increased \$7.411.423.83, depressions, I have the feeling that indees transportation facilities or 22%. The Net Profits increased \$1.142.196.99, or more that of this country entirely break down this Company will increase in greater proportion in 1918 than it del in 1917.

That I am justified in this statement is indicated by the fact This increased Net Profit, which seems out of proportion to that our business is starting of our a wonderful impetus in the the increased Sales, is due in a large measure to Savings. By first six weeks of this year. We have been upset in both our savings I mean savings as a result of the conscilidation and doing manufacturing and retail businesses by rulings of the Fuel Administration and by embargoes placed upon our merchandise at differen I cannot resist the temptation to emphasize the fact to our points in larger number than ever before. In spite of these hand-caps our increased sales for these six weeks is a higher percentage

than the increase of 1917 was for the same period. I do not hesitate to predict that the results will be highly satisfactory to the stockholders.

Sincerely your LOUIS K TOOLETT, President

dropped to 33 1-3%. In 1917 we were able to recover only \$4 consolidated income statement Vear ending of 1% of this decline, and yet Net Profits were greatly increased because of the ADDITIONAL VOLUME of business and the saving of expenses. 0.668.418.47 \$15.881.007.00

> Depreciation of Machinera Lixtures etc. Doubtful Accounts Receiv \$3,150,000.51

Net Profit to Surplus ANALYSIS OF SURPLUS Net Surplus January I. 1917 St. 41.430.4.6.18 \$1.400.4.6.18 \$1.50.000.4 1 542 129 09

COMBINED BALANCE SHELT, INCLUDING AUGSUBSIDIARY COMPANIES, DECEMBER of 1917.

Inter-Company Accounts Eliminated

Tetal Quick Assets
Real Estate and Hubbings cowned in fee
Raildings and Improvements to I construct
Machinery, Furniture and Fixture
Stock holdings in other computer
Advances and Suspense Accounts
Trademarks, Potentia Formulae Princesses
and Cocci-Will the Process Intelled Pita St. 847 400 - - 1

LIABILITIES Current Accounts Payable not due
Notes Payable by United Drop Company
Notes Payable by Subsidiar Companies

\$2 (81.52) 80
1.840 0800 081
120.000.000

Common Stack of Subsidiary Companie outstanding lead Estate and Mongree Bonds all of subsidiary combines. to be opened in 1918. We have so far this year twenty new leases. The interest of Department of Machinery, Furniture and Institutes and Institutes and Institutes and Institutes are supported in 1918. Total ...... 847,498,778 15

RESERVE FOR DEPRECIATION OF MACHINERY. FURN!TURE AND FIXTURES has been increased during the

Current Gross Profit Operating Expenses There was no new capital product and a during the year. The increased business, new stores, added equipment and enlarged facilities have been financed with profits and a comparatively small amount of floating capital, except as to the Seamless Rubber Co. We financed the purchase of the Seamless Public Co. which was acquired in June, 1917—by the issue of Sundry Accounts.

Merchandising Profit
Other Income
Vestments.

Adjustment Property and Sundry Accounts. Taxes Curson 11 / 5 / 5 / 59 42 War Income Tax 110 /22 /

their respective communities.

MERCHANDISE INVENTORY has increased over \$2.500,000

New Surplus Balance, January 1st, 1918

Note. The Surplus is subsect to reduction by the amount of Excess Profits Tax for 1817, retinated to be \$1.00,000

Cash
Net Equity in Liberty Honds
Accounts and Notes Heady a lie
Merchandise Investories (a) Cost or Less)

10.50 (427.08)

JAMES MCCORMICK, Treasurer.

Real Estate
Bonds and Mortgages
Loans on Collaterals
Hills Receivable
Cash in Company's Vaults
Cash on Deposit
Accused Int. Rents. Suspense Acc't, &c.
Honds and Stocks

ASSETS.

POR POR WIDOWS.

CHILDREN

\$2,214,659.37 3,724,940.21 891,926.31 9,800,504.72 2,011,387.00 1,170,156.29 654,007.21 17,031,150.44

\$38,204,731.58

Edward J. Hancy Henry Parish Jr. Nicholas Biddle William M. Cruikshank Stephen P. Nash Lewis Speacer Morris Joseph H. Choate, Jr. JOHN C. VEDDER, Asst. Secy. ALGERNON J. PURDY, Asst. Secy. WILLIAM B. AUSTIN, Asst. Secy.

\$38,204,731.58

## CHARTERED IN 1830. New York Life Ins. and Trust Co.

Grants Annuities. Accepts Trusts created by Will or Otherwise. Manages Property as Agents for the Owners. Allows Interest on , deposits payable after ten days' notice. Legal depository for Executors, Trustees and Money in Suit.

Accepts only Private Trusts and Declines all Corporation or other Public Trusts

STATEMENT-At the Close of Business on the 14th day of March. 1915. LIABILITIES. \$1,000,000,00 Surplus Fund and Undivided Profits. Deposits in Trust 29,383,572.0 Life Insurance Fund . ...... 2.247,474.59 Annuity Fund. Interest Due Depositors, Taxes. &c ....... 950,078,81

Potter, Choate & Prentice

Walter Kerr Howard Townsend Eugene Delano Alfred E. Marting Moses Taylor Edward M. Townsend Augustus D. Juilliare Cleveland H. Dodge WALTER KERR. President J. LOUIS VAN ZELM, Asst. Secy.

TRUSTEES